



Testimony before the Government Administration and Elections Committee
3.23.09

In support of:

HB 5824: AAC the Payment of Personal Service and Purchase of Service Contracts

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Connecticut Association of Nonprofits (CT Nonprofits) represents 530 nonprofit organizations in Connecticut, 300 of which receive state funding to provide health and human services on its behalf.

CT Nonprofits **supports** HB 5824, *An Act Concerning the Payment of Personal Service and Purchase of Service Contracts*. Nonprofit providers currently hold about 1,900 Purchase-of-Service (POS) contracts with the state that are valued at approximately \$2 billion annually. As previously mentioned, 300 CT Nonprofits' members contract with the state through POS contracts to provide health and human services to the state's most vulnerable residents. They are often confronted with delays in payments after providing these services. In fact, we are currently conducting a survey of members' experiences with late payments and preliminary results demonstrate that 100% of our members contracting with the Department of Social Services (DSS) and Department of Public Health receive their payments at least 30 days late, with 43% of DSS-funded members being paid **more than 90 days late**. Additionally, 69% of our members funded through the Department of Children & Families experience payments at least 30 days late along with 56% of members funded through the Department of Developmental Services.

The state continues to ask nonprofit human services providers to provide more services with less funding. Unfortunately, it is growing increasingly difficult for private providers to do so, especially given the economic crisis and resulting increase in service demand. Sustainability of our private provider health and human services delivery system continues to weaken and is only exacerbated by the additional burden of delayed payments. Nonprofits provide health and human services at a great savings to the state and should not have to wait to be paid.

We urge passage of HB 5824. If enacted, it will require state agencies to pay POS contracts not later than thirty days after receiving a written request for payment from the contractor. This will help to alleviate some of the financial burden currently felt by our state's nonprofit human services providers.

Your attention to this matter is greatly appreciated. Please feel free to contact me with any questions or to be put in touch with a nonprofit organization in your community that can provide additional details.

Thank you.